

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 6391

BILL NUMBER: HB 1495

DATE PREPARED: Nov 29, 2000

BILL AMENDED:

SUBJECT: Proof of Financial Responsibility.

FISCAL ANALYST: James Sperlik; Brian Tabor

PHONE NUMBER: 232-9866; 233-9456

FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: This bill increases the amounts required for proof of financial responsibility for a motor vehicle:

- (1) from \$25,000 to \$50,000 for bodily injury to or death of one person;
- (2) from \$50,000 to \$100,000 for bodily injury to or death of more than one person in one accident; and
- (3) from \$10,000 to \$25,000 for injury to or destruction of property in one accident.

It also increases the amount required to be deposited with the Treasurer of State for proof of "self-insured" financial responsibility.

Effective Date: July 1, 2001.

Explanation of State Expenditures:

Explanation of State Revenues: *Interest income:* Increasing the amount required to be deposited with the State Treasurer from \$40,000 to \$60,000 could generate additional interest income, however, the specific impact is indeterminable. Funds would be deposited in the General Fund, although the Treasurer's office reports that no one to date has made the \$40,000 deposit.

Insurance Premium Tax: Increasing the minimum amounts of financial responsibility may result in greater sales of insurance premiums. This could in turn result in additional Insurance Premium Tax revenue, although the amount of any potential increase is indeterminable. In FY 2000, approximately \$155.4 M in Premium Tax revenue was deposited in the General Fund.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Treasurer of State.

Local Agencies Affected:

Information Sources: Mick Frick, Deputy Treasurer, (317) 232-6260; Anne Wulf, Investment Clerk, Treasurer's Office, (317) 232-0139; Liz Carroll, Chief Deputy Commissioner, Indiana Department of Insurance, (317) 232-2387.